

## Remarks

### I. Introduction

In the Office Action dated August 18, 2004, the Examiner rejected pending claims 1-10 for obviousness under 35 U.S.C. §103(a) in view of U.S. Patent Application Publication No. 2002/0065723 A1 to Anderson et al. ("the Anderson application"). Applicant does not that the Examiner has withdrawn the anticipation rejection under 35 U.S.C. §102(e). Applicant will demonstrate that the claims of the present application are not obvious in view of the Anderson application. Accordingly, pending claims 1-10 are allowable and Applicant respectfully requests that the anticipation and obviousness rejections based on the Anderson application be withdrawn and the present application be passed to issue.

### II. Claims 1-10 are Allowable

The numbered section 3 of the Office Action, the Examiner rejected claims 1-10 for obviousness under 35 U.S.C. §103(a) in view of the Anderson application. Of these claims, claims 1 and 6 are independent claims. Claims 2-5 and 6-10 depend from claims 1 and 6, respectively. These dependent claims add further limitation to these independent claims.

In rejecting claims 1-10 under these bases, the Examiner stated at numbered section 4 the following:

Anderson et al. teaches (independent claims 1 and 6) a computer-based method for maximizing redemption award units in an award program (para. [0026], comprising the steps of: (a) storing in the storage device (store 140) at least one predetermined award unit (para. [0019]: storing in the storage device a shortfall amount (*the number of points needed*, (bottom of para. [0027])); (c) each program participant being permitted to accumulate a number of award units earned by performing acts for which predetermined numbers of award units will be awarded, and (d) inputting (*updates the award account*) the number of award units earned in step (c) [0020], said storing being in a *plurality of online accounts* [0005], which reads on (e) storing separately; (f) redeeming an award program award [0026], including the substeps of: (1) retrieving a predetermined award unit level to receive a particular award (*retrieves conditions to receive awards*); (2) retrieving the accumulated award unit total (*point balances*); (3, 4 and 6 [there is no substep 5]) determining a number of award units that the accumulated award unit total is less than the predetermined award

level (*the number of points needed*, [0027]); (7 and 8) determining the received amount of *AwardPoints*, which reads on a monetary amount (a *generic, convertible* currency (para. [0037] and Merriam-Webster's Online Dictionary)), and redeeming the award by paying this monetary amount [0031]. Anderson et al. teaches the 'multiplication factor' (substep 7) as a *ratio* used to combine *several types of award points* and convert them to them to *AwardPoints* (para. [0031], [0053] and [0054].

The present invention differs substantially from the Anderson application because the Anderson application just recognizes a shortfall and does nothing with the shortfall. The present invention recognizes a shortfall and then provides a novel system and method for effecting a way for the user to use accumulated miles and the purchase of additional miles according to a novel method so that the user is able to redeem an award from the benefits award program without having the required miles.

At page 10, lines 22-26, the method of selectively determining a shortfall is stated:

At 227 [Figure 2], the method of the present invention will determine whether the accumulated award miles total falls within a predetermined percentage range of the required award mileage. This percentage may be selected by the airline or entity administering the mileage award program. For example, such an entity may select the percentage range to be from 95% to 100%-1 of the required award mileage. Alternatively, the method may not state this requirement as a percentage range but as the need for the accumulated award miles to be greater than, or equal to, 95% of the required number [of] award miles.

At page 11 at lines 1-13 of the specification, Applicant provides an example of the method of the present invention. There the present application states:<sup>1</sup>

At 231 [Figure 2], it is determined if there is a single or multiple redemption, it is determined if this is a single or multiple award redemption, the method will proceed to 235. At 235, the method will save the unused accumulated award miles in the appropriate database. Following the saving of these award miles, the method will proceed to End 240. However, if the accumulated award miles is within the selected

---

<sup>1</sup> Among other things, the system and method of Anderson application does not make a selection of a percentage upon which to apply the award program incentive as set forth for a disclosed embodiment of the present application. Moreover, the Anderson application does not then determine if the award mileage shortfall is within that percentage.

percentage range, or is equal to, or greater than, the selected percentage, the method will go to 230.

If the shortfall is within the selected percentage, the Anderson application does not apply a variety on methods for making up for the mileage shortfall. For example, the following method is performed according to an embodiment of the present application (page 11, lines 7-27)

At 230 [Figure 2], the method of the present invention will determine the number of award miles that constitute the mileage shortfall. This may be done, for example, by subtracting the accumulated award miles from the required award miles. This numbered of shortfall miles is multiplied by a multiplication factor at 232 [Figure 2]. This multiplication factor may be fixed for each of the shortfall miles. For example, if the award shortfall is 150 miles, the multiplication factor may be \$0.50/mile, so the amount to purchase the shortfall miles would be \$80.00.

The method may also use a weighting system to determine the amount that will have to be paid to compensate for the mileage shortfall. For example, if the percentage range or the amount in excess of a predetermined percentage equals 500 miles, the weighting system multiplication factors could be \$0.50 for 449-500 shortfall miles; \$0.47 for 401-450 shortfall miles; \$0.44 for 349-400 shortfall miles; \$0.41 for 350-399 shortfall miles; \$0.38 for 300-349 shortfall miles; \$0.35 for 250-299 shortfall miles; \$0.32 for 200-249 shortfall miles; \$0.29 for 150-199 shortfall miles; \$0.26 for 100-149 shortfall miles, and \$0.23 for 50-99 shortfall miles, and \$0.20 for 1-49 shortfall miles.

The Anderson application does not render obvious the claims of the present application. For example, the Anderson application does not understand or appreciate the present application's method of using the shortfall miles to generate novel methods to redeem awards that the user would ordinarily not be entitled to. Accordingly, Applicant has overcome the Examiner's obvious rejection of claims 1 and 6, and requests that it be withdrawn.

The Examiner has cited para. [0037] disclosing the method steps (f)(7) and (8) of claim 1 and elements (f)(7) and (8) of claim 6. Applicant submits that the Examiner misreads and misapplies what is provided in para. [0037] in rejecting claims 1 and 6 for obviousness.

The Anderson application at para. [0037] states the following:

[0037] Any AwardTrack affiliate can benefit from using AwardPoints of the present invention to its customers. AwardPoints are generic, convertible currency that can either be redeemed against a wide variety of merchandise, or converted into any of several participating airline programs....

The quotation immediately above makes plain that AwardPoints may be used with a variety of programs. The use of the term “genetic convertible currency” in the context of the para. [0037] is to indicate that within the various systems, an AwardPoints unit would have value for redemption of awards. This is not what Applicant is covering in the scope of claims 1 and 6. According to what is set forth at para. [0037] in converting the AwardPoints following the “genetic convertible currency” theory, each converted unit would have a single value in the new system. This does not render obvious claims 1 and 6 in which the purchase of shortfall miles may take on a variety of values. (See earlier quotations from pages 10 and 11 of the present application.

Further, para. [0037] fails to have any appreciation for redeeming an award based on having a shortfall, for example, of award miles and then purchasing the shortfall of miles according to the novel and non-obvious method according to the present invention. In his citation to the Anderson application, the Examiner has not in any way shown the novel and non-obvious combination of the claims of the present invention in order to redeem an award. Accordingly, Applicant has traversed the Examiner’s bases for rejecting independent claims 1 and 6 for obviousness based on the Anderson application, thereby placing claims 1 and 6 in condition for allowance.

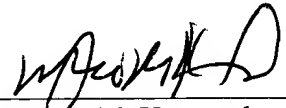
Claims 2-5 and 6-10 depend from claims 1 and 6, respectively. These dependent claims add further limitation to these independent claims. Applicant has traversed the Examiner’s bases for rejecting claims 1 and 6 for obviousness based on Anderson. Since claims 2-5 and 7-10 are dependent claims, these claims overcome the obviousness rejection for the same reasons as claims 1 and 6, thereby placing these claims in condition for allowance.

## Conclusion

The present application is new, non-obvious, and useful. The present application is in condition for allowance in light of Applicant traversing each of the Examiner's rejection for obviousness. Reconsideration and Allowance of the claims are requested.

Respectfully Submitted,

Dated: December 19, 2004

  
\_\_\_\_\_  
Wayne M. Kennard  
Registration No 30, 271  
Attorney/Applicant

28 Partridge Road  
Lexington, MA 02421